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Statutory Construction and Policy Arguments for a Symmetric Approach to Promulgating Guidelines for New Section 102(b) Subparagraphs (A) and (B)—The First-to-publish Grace Period Exceptions to Prior Art

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STATUTORY CONSTRUCTION AND POLICY ARGUMENTS
FOR A SYMMETRIC APPROACH TO PROMULGATING GUIDELINES
FOR NEW SECTION 102(B) SUBPARAGRAPHS (A) AND (B) –
THE FIRST-TO-PUBLISH GRACE PERIOD EXCEPTIONS TO PRIOR ART

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I. INTRODUCTION

On July 26, 2012, the United States Patent and Trademark Office (USPTO) published Proposed Examination Guidelines for the new First-Inventor-to-File (FITF) provisions enacted by Section 3 of the Leahy-Smith America Invents Act (AIA).¹ These Proposed Guidelines set out the Office's interpretation of the new FITF provisions and are aimed at advising the public and the Examining Corps on how the changes may impact the provisions of the Manual of Patent Examining Procedure (MPEP).² The most important of the new FITF provisions are the major revisions to New Section 102, including New Section 102(b), defining the only exceptions to what otherwise will be considered prior art under New Section 102(a)—often referred to as the First-To-Publish (FTP) Grace Period Exceptions. The Proposed Examination Guidelines have added fuel to the current debate over how the new FTP Grace Period Exceptions should be interpreted. This article presents both statutory construction and policy arguments for why the Proposed Examination Guidelines should be modified to adopt a symmetric approach to how the Office will interpret and implement the FTP Grace Period Exceptions of New Section 102(b) subparagraph (A)—for the inventor's own grace period prior art—and subparagraph (B)—for the grace period prior art of third parties.

II. BACKGROUND

For the general public, the Leahy-Smith America Invents Act of 2011 has been publicized as a package of reforms that should improve the U.S. patent system. In theory, these improvements include changes that move the U.S. patent system closer toward harmonization with other patent systems around the world,

¹ Examination Guidelines for Implementing the First-Inventor-to-File Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 43,759, 43,759–73 (proposed July 26, 2012) (the “Proposed Rules”) (to be codified at 37 C.F.R. pt. 1). An early version of this article was submitted to the USPTO on October 6, 2012 on behalf of the Minnesota Intellectual Property Lawyers Association (MIPLA) as comments to the Proposed Rules. *See* Letter from Brad Pedersen, Patent Practice Chair, Patterson Thunte Pedersen, P.A., to Mary C. Till, Senior Legal Advisor, USPTO (Oct. 6, 2012) (on file with USPTO) (titled “Comments on Proposed Rules for: Examination Guidelines for Implementing the First-Inventor-File [sic] Provisions of the Leahy-Smith America Invents Act 77 Fed. Reg. 43,759 et seq. (July 26, 2012)”), available at http://www.uspto.gov/patents/law/comments/mipla_20121006-guid.pdf. On February 14, 2013 before the publication of this article was finalized, the final rules were issued. *See* Examination Guidelines for Implementing the First Inventor To File Provisions of the Leahy-Smith America Invents Act, 78 Fed. Reg. 11,059, 11,059–87 (Feb. 14, 2013) (the “Final Rules”) (to be codified at 37 C.F.R. pt. 1). While the comments in the Final Rules addressed some, but not all, of the arguments made in this article, the Final Rules essentially maintained the narrow construction of the FTP Grace Period Exceptions of subparagraph (B) as originally presented in the Proposed Rules. *See infra* Part VI.

² Proposed Rules, 77 Fed. Reg. at 43,760.

and address acknowledged problems in the way that the USPTO sets fees and the ways in which the validity of patents can be challenged at the USPTO instead of in the courts. The ultimate goal of these changes is to encourage investment in innovation and, as a result, stimulate job growth.

For inventors, patent owners and patent professionals, the AIA represents the biggest set of changes to U.S. patent laws since 1836. Initially introduced in Congress in 2005, the final bill signed into law on September 16, 2011 includes three major changes along with a wide variety of other, less significant changes. Most of the high-profile changes associated with patent litigation issues that were included in previous versions of the bill, were ultimately rejected and left on the congressional cutting-room floor. Even after the cuts, the final bill was still more than 150 pages long.³ Given that many of the major changes are phased in over time and apply prospectively to newly filed patent applications, it could be a decade or more before the true impact of these changes to the U.S. patent system can be evaluated.

The three major changes to the U.S. patent system that have been or will be implemented under the AIA are: (1) first-inventor-to-file; (2) fee setting, but not fee spending, authority; and (3) revamped processes for challenging validity at the USPTO. This article focuses on the first of these major changes—the new FITF provisions.

A. The First-Inventor-to-File Provisions

The AIA changes the U.S. from the current first-to-invent (FTI) patent system to a FITF patent system with a FTP grace period by significantly rewriting 35 U.S.C. § 102. The new FITF system applies to any provisional, new utility or continuing application filed after March 16, 2013—the cutover date. Pre-AIA law will apply to any continuation or divisional application filed after the cutover date claiming priority to a case filed before the cutover date; *however*, a continuation-in-part (CIP) or converted provisional filed after the cutover will be governed by either AIA or pre-AIA law on a claim-by-claim basis, depending on the effective priority date of each claim.⁴

Section 102(a) of the AIA lays the foundation of the new FITF provisions. New Section 102(a) is reproduced below:

(a) NOVELTY; PRIOR ART. – A person shall be entitled to a patent unless–

³ Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011).

⁴ Proposed Rules, 77 Fed. Reg. at 43,749; Leahy-Smith America Invents Act § 3(n), 125 Stat. at 293.

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(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention; or

(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.⁵

The drafters of the New Section 102(a) sought to simplify the provisions for what is and what is not prior art under the new FITF system by defining just two types of prior art.⁶ The two types of prior art under the new FITF system are publicly available prior art, as defined by New Section 102(a)(1),⁷ and patent filing prior art, as defined by New Section 102(a)(2).⁸ Accordingly, under New Section 102(a)(1), novelty-destroying prior art exists if a disclosure of the claimed invention was publicly accessible anywhere in the world before the effective filing date. Under New Section 102(a)(2), novelty-destroying prior art exists if the claimed invention was described in an earlier filed non-public U.S./U.S. Patent Cooperation Treaty (PCT) patent application of another inventor that is later issued or published. It is important to note the terms “claimed invention,” “effective filing date,” “inventor,” and “effectively filed” have all been expressly

⁵ Leahy-Smith America Invents Act § 3(b), 125 Stat. at 285–86 (outlining the new “§ 102. Conditions for patentability; novelty”) (effective Mar. 16, 2013) (to be codified at 35 U.S.C. § 102(a)).

⁶ See Robert A. Armitage, *Understanding the America Invents Act and Its Implications for Patenting*, 40 AM. INTELL. PROP. L. ASS’N Q. J. 1, 10–11 (2012).

⁷ Leahy-Smith America Invents Act § 3(b), 125 Stat. at 285–87 (outlining the new “§ 102. Conditions for patentability; novelty”) (effective Mar. 16, 2013) (to be codified at 35 U.S.C. § 102(a)(1)). This includes inventions that have been patented, published in a printed publication, have been in public use, have been on sale (anywhere in the world), or were otherwise made publicly available. This does not include inventions which have merely been the subject of an offer for sale or were otherwise considered “secret prior art.”

⁸ *Id.* § 3(b), 125 Stat. at 285–87 (outlining the new “§ 102. Conditions for patentability; novelty”) (effective Mar. 16, 2013) (to be codified at 35 U.S.C. § 102(a)(2)). This includes inventions that have been patented or published (or deemed published). Because the Hilmer doctrine has been eliminated, this also includes PCT and foreign applications designating the United States. See generally Richard A. Neifeld, *Viability of the Hilmer Doctrine*, 81 J. PAT. & TRADEMARK OFF. SOC’Y 544, 546 (1999) (providing a definition of the Hilmer Doctrine). This does not include abandoned applications, applications with secrecy orders, unconverted provisional applications, or PCT and foreign not filed in or not designating the United States.

defined in New Section 101, and those definitions are critical to understanding the scope of both types of prior art.

These changes have been characterized as attempts to more closely align U.S. patent law with the absolute novelty requirement that is used by virtually all other countries around the world.⁹ By focusing only on what is publicly accessible, the various kinds of “secret” prior art that had been available under the Old Section 102, such as offers for sale and prior, non-public invention, may not be considered prior art for patent applications governed by the AIA.¹⁰ The FITF system under the AIA eliminates the Hilmer doctrine and accords foreign national applications their foreign filing date if they are filed directly in the U.S. or as a PCT application designating the U.S. and published in one of the ten current official PCT languages.¹¹ The change to FITF also phases out interference proceedings and replaces them with a new “derivation” proceeding for claims governed by the AIA.¹²

B. First-to-Publish Exceptions

Nevertheless, the AIA does not bring U.S. Patent law into complete conformance with the absolute novelty requirement.¹³ Specifically, there are a

⁹ Brad Pedersen & Justin Woo, *The “Matrix” For Changing First-To-Invent: An Experimental Investigation into Proposed Changes in U.S. Patent Law*, 1 CYBARIS AN INTELL. PROP. L. REV. 1, 4 (2010).

¹⁰ Examination Guidelines for Implementing the First-Inventor-to-File Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 45,759, 43,765 n.29 (proposed July 26, 2012) (the “Proposed Rules”) (“The legislative history of the AIA indicates that the inclusion of this clause in AIA 35 U.S.C. 102(a)(1) should be viewed as indicating that AIA 35 U.S.C. 102(a)(1) does not cover non-public uses or non-public offers for sale.”).

¹¹ Leahy-Smith America Invents Act, § 3(b), 125 Stat. at 285–86 (outlining the new “§ 102. Conditions for patentability; novelty”) (effective Mar. 16, 2013) (to be codified at 35 U.S.C. § 102(a)).

¹² *Id.* § 3(i), 125 Stat. at 289 (outlining the new “§ 135. Derivation proceedings”) (effective Mar. 16, 2013) (to be codified at 35 U.S.C. § 135).

¹³ David Kappos, Under Sec’y of Commerce, Dir., USPTO, Speech at the Managing IP International Patent Forum: A Global Call for Harmonization (Apr. 5, 2011), *available at* http://www.uspto.gov/news/speeches/2011/kappos_london.jsp (Director Kappos stating that rather than focusing on pure harmonization the new AIA “must be rooted in global best policies and practices—basic principals [sic], we agree define [sic] a 21st century patent system that maximally accelerates technological progress”). *See also* Robert A. Armitage, Senior Vice President, Gen. Counsel, Eli Lilly & Co., Address Before the United States House of Representatives Committee on the Judiciary (May 16, 2012), *available at* http://judiciary.house.gov/hearings/Hearings%202012/hear_05162012.html. Robert Armitage summarized U.S. leadership regarding past harmonization efforts and the current push behind the AIA:

For decades, efforts at U.S. leadership on creating more globally harmonized patent laws have been stymied because the majority of the U.S.

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number of exceptions to New Section 102(a) that appear in New Section 102(b).
New Section 102(b) is reproduced below:

(b) EXCEPTIONS. –

(1) DISCLOSURES MADE 1 YEAR OR LESS BEFORE THE EFFECTIVE FILING DATE OF THE CLAIMED INVENTION. – A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if –

(A) the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(B) the subject matter disclosed had, before such [grace period public] disclosure, been publicly disclosed by the inventor or joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

(2) DISCLOSURES APPEARING IN APPLICATIONS AND PATENTS. – A disclosure shall not be prior art to a claimed invention under subsection (a)(2) if –

(A) the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor; or

(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor, or

(C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the

patent community had no interest in seeing our patentability standards and criteria exported globally. When U.S. interests defined the “best practices” internationally for crafting a patent law and patent system, those practices were in key respects absent in our laws. The AIA has ended that era of followership for the United States. The supporters of the AIA look at its provisions as the epitome of best patenting practices.

Id.

claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.¹⁴

Generally, these exceptions—often referred to as the FTP Grace Period Exceptions—permit the inventor a grace period where the invention may be publicly disclosed without destroying patentability. New Section 102(b)(1) applies to Section 102(a)(1) prior art and has two separate exceptions, while New Section 102(b)(2) applies to Section 102(a)(2) prior art and has three exceptions.¹⁵

New Section 102(b)(1)'s two exceptions provide that: (A) a public disclosure of the inventor's own work will not be deemed prior art, as long as the disclosure did not occur more than one year prior to filing; and (B) any subsequent disclosure by a third party based on a previous public disclosure of the inventor's own work will not be deemed prior art, as long as the subsequent disclosure pertains to the same subject matter that was previously disclosed.¹⁶ Thus, with exception (B), the inventor must first publish the subject matter himself.

New Section 102(b)(2)'s three exceptions provide that: (A) a patent filing of another that actually represents the inventor's own work, that was directly or indirectly obtained from the inventor will not be deemed prior art; (B) a patent filing of a third-party that pre-dates the effective filing date of the inventor's application, but post-dates a publication made by or for the inventor will not be deemed prior art; and (C) the patent filings of others working for the same company or for a joint research and development project will not be deemed prior art¹⁷ (replicating the so-called "team exception" of old section 103(c)¹⁸). The new "team exception," however, now applies not only to issues of obviousness, but also to issues of anticipation. Additionally, the time period for when parties must be on the same team starts as of the filing date, not the date of invention.

Thus, the single biggest change under the FITF system for patent practitioners who prosecute patent applications is the elimination of "swearing behind" as an option for removing prior art that was between a date of invention and a filing date. The second biggest change under the FITF system is the proactive publication that is required to trigger the FTP grace period.

¹⁴ Leahy-Smith America Invents Act, § 3(b), 125 Stat. at 286 (outlining the new "§ 102. Conditions for patentability; novelty") (effective Mar. 16, 2013) (to be codified at 35 U.S.C. § 102(b)(1)–(2)).

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*; Examination Guidelines for Implementing the First-Inventor-to-File Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 43,759, 43,767 (proposed July 26, 2012) (the "Proposed Rules") (to be codified at 37 C.F.R. pt. 1).

¹⁸ 35 U.S.C. § 103(c) (2006).

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With respect to the USPTO's Proposed Examination Guidelines,¹⁹ it is the Office's interpretation of what qualifies as the same "subject matter disclosed" previously under the New Section 102(b) subparagraph (B) that is of concern. The Office has interpreted the statute very narrowly, such that if the third party changes the subject matter disclosed from what the inventor had previously disclosed—even if those changes are merely "insubstantial" or "trivial"—subsequent third-party disclosure could be used as prior art against the inventor.²⁰ Such an interpretation would permit a third party to publish following its awareness of the public disclosure by the inventor by including some small variation in their publication. Consequently, the inventor would be prevented from utilizing the FTP Grace Period Exception provided under New Section 102(b).

The Office's narrow interpretation is in direct conflict with how the substantial majority of patent practitioners have interpreted the language of New Section 102(b) subparagraph (B).²¹ Most practitioners have interpreted subparagraph (B) more broadly to mean that if an inventor publically discloses his invention, then subsequent publications cannot be used against the inventor to defeat patentability. Thus, most practitioners were under the impression that early public disclosure would effectively inoculate an inventor against subsequent third-party disclosures. This interpretation is not unfounded; rather, it is grounded in comments found in the Congressional Record. Senator Kyl (R-AZ) stated that "under new section 102(b)(1)(B), once the U.S. inventor discloses his invention, no subsequent prior art can defeat the invention."²² However, under the Office's Proposed Examination Guidelines, this interpretation would not be implemented.

For illustration, imagine that an independent inventor, who is a small business owner, conceives of an idea. She thinks it is a pretty good idea but is not sure if it is marketable, so she publically discloses the idea on her website to see if it attracts any interest (disclosing A+B+C). The idea catches on and all signs indicate that it will be profitable, so within one year of the public disclosure she files a patent (claiming A+B). However, before she filed her patent application a third party copied portions of her disclosure. The third party added to the copied portions of inventor's disclosure before posting the new disclosure on their

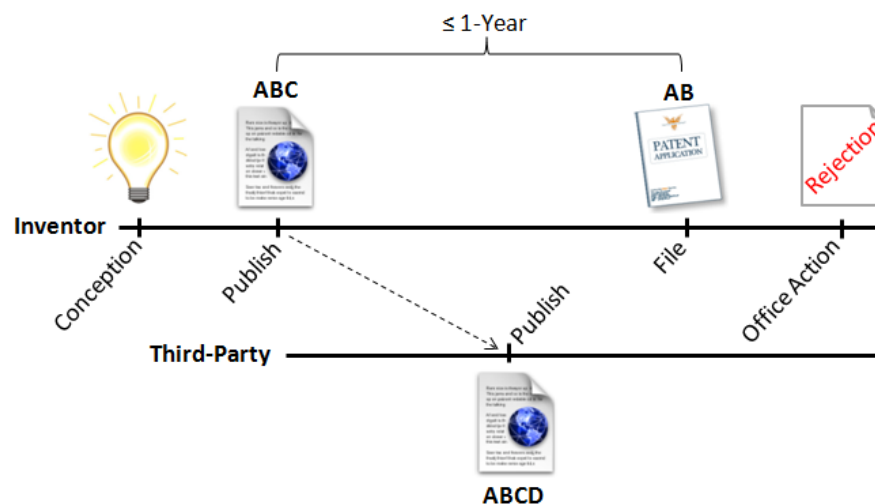
¹⁹ See Proposed Rules, 77 Fed. Reg. at 43,759–73.

²⁰ *Id.* at 43,767.

²¹ Gene Quinn, *Defending the USPTO Interpretation of the New Grace Period*, IPWATCHDOG (Oct. 9, 2012, 9:00AM), <http://www.ipwatchdog.com/2012/09/09/defending-the-uspto-interpretation-of-the-new-grace-period/id=27903>.

²² S. JOURNAL, 112th Cong., 1st Sess. 5319, 5320 (2011), available at http://www.uspto.gov/aia_implementation/20110906-kyl_rmrks_s5319.pdf.

website (disclosing A+B+C+D).²³ During prosecution, the Examiner sees both publications and rejects all claims as anticipated under New Section 102(a). The inventor can overcome her own disclosure according to the New Section 102(b)(1)(A) exception, but under the Proposed Examination Guidelines for New Section 102(b)(1)(B) she cannot overcome the third-party disclosure rejection because it contains “insubstantial” or “trivial” variations from her own publication.²⁴



The same outcome occurs when the third party under-discloses what had previously been disclosed by the inventor. In other words, if the inventor discloses A+B+C, and a third party subsequently discloses A+B, the third-party disclosure would be prior art under New Section 102(a). No exception would apply under New Section 102(b)(1)(B) as interpreted by the Proposed Examination Guidelines.²⁵

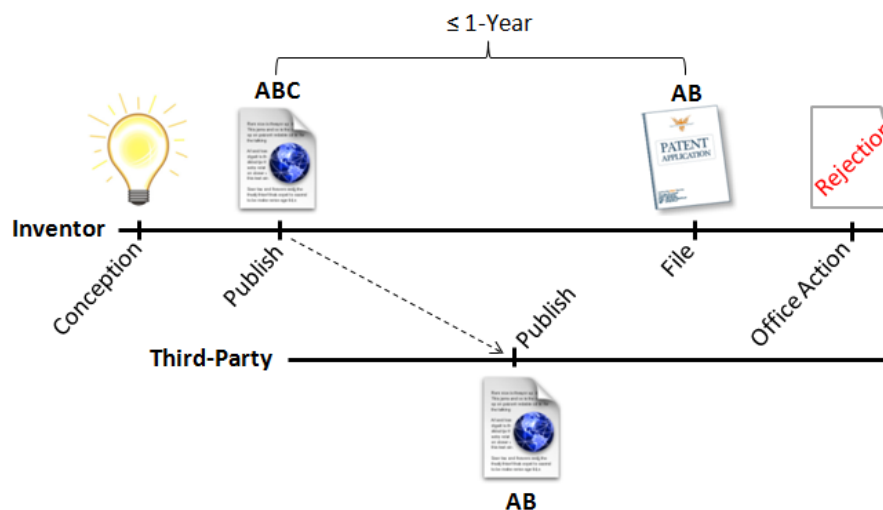
²³ A number of reference websites, such as Wikipedia.com, commonly employ this practice.

²⁴ Proposed Rules, 77 Fed. Reg. at 43,759, 43,767, 43,769.

²⁵ *Id.* at 43,767.

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Thus, if the Proposed Examination Guidelines are adopted by the Patent Office, both a subsequent over-disclosure and a subsequent under-disclosure of an inventor's earlier publication by a third party could serve as a bar to patentability.

III. STATUTORY INTERPRETATION

While there are many different ways in which variations on the words “disclose” and “describe” are used throughout the AIA and within New Section 102,²⁶ the Proposed Guidelines take the approach of “treating the term

²⁶ New Section 102 of the AIA is reproduced below with some editorial insertions and emphasis added to highlight and clarify any variations on the words “disclose” and “describe” used in this section in order to better frame the discussion on the statutory interpretation of the FTP Grace Period Exceptions:

§ 102. Conditions for patentability; novelty.

(a) NOVELTY; PRIOR ART. – A person shall be entitled to a patent unless–

(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention; or

(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

(b) EXCEPTIONS. –

(1) DISCLOSURES MADE 1 YEAR OR LESS BEFORE THE EFFECTIVE FILING DATE OF THE CLAIMED INVENTION. – A [grace period public] disclosure made 1

year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if –

(A) the [grace period public] disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(B) the subject matter disclosed had, before such [grace period public] disclosure, been publicly disclosed by the inventor or joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

(2) DISCLOSURES APPEARING IN APPLICATIONS AND PATENTS. – [grace period public] disclosure shall not be prior art to a claimed invention under subsection (a)(2) if –

(A) the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor; or

(B) the subject matter disclosed had, before such [grace period patent filing] subject matter was effectively filed under subsection (a)(2) [as determined pursuant to section (d)], been publicly disclosed by the inventor or joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor, or

(C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.

(c) COMMON OWNERSHIP UNDER JOINT RESEARCH AGREEMENTS. – Subject matter disclosed and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person in applying the provisions of subsection (b)(2)(C) if –

(1) the subject matter disclosed was developed and the claimed invention was made by, or on behalf of, 1 or more parties to a joint research agreement that was in effect on or before the effective filing date of the claimed invention;

(2) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and

(3) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.

(d) PATENTS AND PUBLISHED APPLICATIONS EFFECTIVE AS PRIOR ART. – For purposes of determining whether a patent or application is prior art to a claimed invention under subsection (a)(2), such patent or application shall be considered to have been effectively filed, with respect to any subject matter described in the patent or application –

(1) if paragraph (2) does not apply, as of the actual filing date of the patent or the application for patent; or

(2) if the patent or application for patent is entitled to claim a right of priority under section 119, 365(a), or 365(b), or to claim the benefit of an earlier filing date under section 120, 121 or 365(c), based upon 1 or more prior filed applications for patent, as of the filing date of the earliest of such application that describes the subject matter.

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‘disclosure’ [as used in New Sections 102(b)(1) and 102(b)(2)] as a generic expression intended to encompass the documents and activities enumerated in New Section 102(a).²⁷ This approach is both useful and appropriate for evaluating all of the various kinds and ways in which the “how” of a disclosure may be made in order to determine whether those actions or things qualify as: (i) prior art under New Section 102(a), and (ii) triggers for an FTP Grace Period Exception under New Section 102(b). In essence, the approach ensures that there is symmetry between how the Office will evaluate actions or things under new Section 102(a) for whether those actions or things qualify as publicly available prior art or patent filings. It also ensures that the Office will evaluate actions or things under New Section 102(b) for whether those actions or things constitute a triggering public disclosure for purposes of invoking the FTP Grace Period Exception.

However, the Proposed Guidelines do not use the same kind of symmetric approach when it comes to determining what will be considered within the scope of the FTP Grace Period Exceptions. Specifically, the phrase “subject matter disclosed” has been getting most of the attention in the debate over the proper interpretation of the FITF provisions.²⁸ The Proposed Guidelines end up with an open and broader view of the scope of what the FTP Grace Period Exceptions cover for inventor-related matters under New Section 102(b) subparagraph (A),²⁹ but take a very narrow view of the scope of what the FTP Grace Period Exceptions cover for third-party-related matters under New Section 102(b) subparagraph (B).³⁰ The apparent reason for this difference is that the Proposed Guidelines focus exclusively on answering the “who” question when it comes to the inventor-related FTP Grace Period Exceptions of New Section 102(b) subparagraph (A). In other words, the Patent Office appears to be concerned with who made the disclosure and whether there is proof that the disclosure was made by or for the inventor. So much so, in fact, that for the third-party-related FTP Grace Period Exceptions of New Section 102(b) subparagraph (B), the Proposed Guidelines add a “what” question to the analysis.³¹ Specifically, the Patent Office asks what the disclosure by or for the inventor was, and whether that disclosure is similar enough in subject matter to the disclosure by the third party so as to

Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 3(b), 125 Stat. 284, 285–87 (2011) (emphasis added) (outlining the new “§ 102. Conditions for patentability; novelty”) (effective Mar. 16, 2013) (to be codified at 35 U.S.C. § 102(a)–(d)).

²⁷ Proposed Rules, 77 Fed. Reg. at 43,763–64.

²⁸ Leahy-Smith America Invents Act § 3(b), 125 Stat. at 286.

²⁹ See Proposed Rules, 77 Fed. Reg. at 43,765–66.

³⁰ See *id.* at 43,766–67.

³¹ See *id.*

invoke the third-party-related FTP Grace Period Exceptions. More importantly, the Proposed Guidelines answer this additional “what” question with a new and very narrow test for determining the scope of what will be considered within the FTP Grace Period Exception for third-party-related materials.

From a statutory construction analysis, there is no basis for any kind of asymmetric approach. New Section 102 requires consistent approaches to answering both the “who” and the “what” questions in determining whether the FTP Grace Period Exceptions may or may not apply, regardless of whether the exceptions are applied to the inventor’s own grace-period prior art or the grace-period prior art of third parties. Furthermore, there is absolutely no basis in New Section 102 for creating a very narrow test when answering the “what” question for the grace-period prior art of third parties.

The relevant portion of the Proposed Guidelines that tees up the narrow view of the “what” question that must be answered when evaluating the FTP Grace Period Exceptions for third-party-related matters is reproduced below:

The exception in 35 U.S.C. 102(b)(1)(B) applies if the “‘subject matter’ disclosed [in the prior art disclosure] had, before such [prior art] disclosure, been publicly disclosed by the inventor or a joint inventor.” Thus, the exception in 35 U.S.C. 102(b)(1)(B) requires that the subject matter in the prior disclosure being relied upon under 35 U.S.C. 102(a) be the same “subject matter” as the subject matter publicly disclosed by the inventor before such prior art disclosure for the exception in 35 U.S.C. 102(b)(1)(B) to apply. Even if the only differences between the subject matter in the prior art disclosure that is relied upon under 35 U.S.C. 102(a) and the subject matter publicly disclosed by the inventor before such prior art disclosure are mere insubstantial changes, or only trivial or obvious variations, the exception under 35 U.S.C. 102(b)(1)(B) does not apply.³²

We now divide this section into three parts to highlight three separate errors in statutory analysis that result in the Proposed Guidelines getting it wrong in proposing a narrow view of the FTP Grace Period Exceptions for third-party-related matters under the New Section 102(b) subparagraph (B). The first error relates to the focus on interpreting just the phrase “subject matter,” instead of recognizing that it is the entire phrase “subject matter disclosed” that must be construed. The second error relates to the consequences of improperly focusing on just the “differences” between the disclosure triggering the exception and the

³² *Id.* at 43,767.

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prior art that might be subject to the exception. The third error relates to the improper creation of a new standard that is so narrow, it renders the FTP exceptions for third-party-related materials effectively meaningless.

A. First Construction Error—Inconsistent Phrase Construction

It appears that the first error arises out of an incorrect assumption that the term “disclosed” in subparagraph (B) can be construed separately from the term “subject matter.” This is illustrated by the Office’s comment that:

[T]he exception in 35 U.S.C. 102(b)(1)(B) requires that the subject matter in the prior disclosure being relied upon under 35 U.S.C. 102(a) be the same “subject matter” as the subject matter publicly disclosed by the inventor before such prior art disclosure for the exception in 35 U.S.C. 102(b)(1)(B) to apply.³³

The “how” question must be answered for the FTP exceptions for third-party-related materials (i.e., how was the initial disclosure was made). The answer, however, does not need to be found in the phrase “subject matter disclosed” in subparagraph (B), as that requires separation of the term “subject matter” from the term “disclosed.” Rather, the answer to the “how” question can be found in the phrase “publicly disclosed.” Accordingly, there is no need to interpret the term “disclosed” as somehow being separate from the term “subject matter,” such that the word “disclosed” would need to be interpreted as a variation of the words “disclose” or “describe,” which are terms used elsewhere in New Section 102(a).

The correct approach to interpreting New Section 102(b) is to start by presuming that where one section uses different words or phrases than another section, Congress must have intended the words or phrases to have different meanings.³⁴ Using such an approach to statutory construction is particularly

³³ *Id.*; see new § 102(b) subparagraph (1)(B):

Disclosures made 1 year or less before the effective filing date of a claimed invention . . . shall not be prior art to the claimed invention under subsections (a)(1) [and (a)(2)] if . . . the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

Leahy-Smith America Invents Act § 3(b), 125 Stat. at 286 (emphasis added).

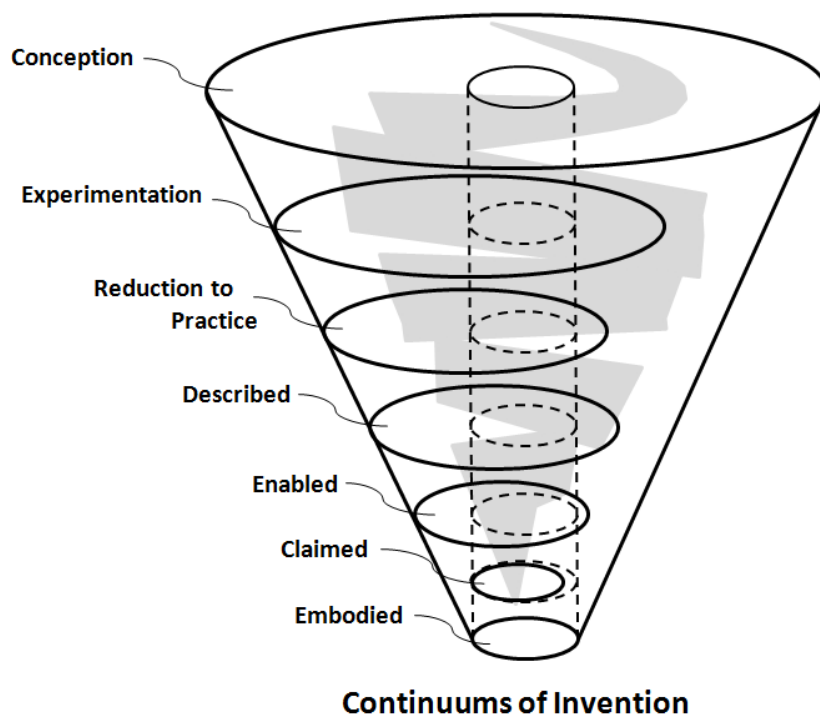
³⁴ See *DirectTV Inc. v. Brown*, 371 F.3d 814, 818 (11th Cir. 2004) (“Where the words of a later statute differ from those of a previous one on the same or related subject, the Congress must have intended them to have a different meaning.” (quoting *Muscogee (Creek) Nation v. Hodel*, 851 F.2d 1439, 1444 (D.C. Cir. 1988))), *cert. denied*, 488 U.S. 1010 (1989); *c.f.* *Nijhawan v.*

important in this situation where the specific phrase “subject matter disclosed” is a phrase that is wholly unique to New Sections 102(b) and 102(c). In fact, the phrase “subject matter disclosed” is used nine different times in these two sections, but is not used anywhere else in the AIA or in 35 U.S.C. As will be seen from the analysis and discussion that follows, in order for the phrase “subject matter disclosed” to be understood as referring to the same actions or things over the nine different usages, the phrase “subject matter disclosed” should be understood as referring to *the conveyance of information about an invention before that invention has been fully described, enabled or claimed*.

Inherent in this interpretation is the understanding that this phrase encompasses a conveyance of information without the invention being fully described, enabled, or claimed. Consequently, the “subject matter disclosed” references information that may be amorphous and imprecise and that very likely will change and mature as the information about the invention is refined into a fully described, enabled, and claimed invention. It is also important to note that the phrase “subject matter disclosed” that is used in New Sections 102(b) and (c) refers to conveyances of information about an invention that are both private (e.g., the conveyance of information about an invention by an inventor to someone else within a company who is directed to prepare and publicly release information about the invention, or prepare and file a patent application for the invention) and public (e.g., the publication, public disclosure, patent filing that is later published, or other ways of making of information about the invention publicly available).

To provide a context for why the phrase “subject matter disclosed” must be understood as suggested, and to better appreciate the challenges Congress had in codifying an understanding about an invention before that invention has been fully described, enabled or claimed, it is helpful to graphically present a simplified diagram of the invention process by which ideas are turned into real embodiments of an invention. The figure below outlines the various steps that can occur in what will be referred to as the Continuums of Invention.

Holder, 557 U.S. 29, 39 (2009) (“Where . . . Congress uses similar statutory language and similar statutory structure in two adjoining provisions, it normally intends similar interpretations.”).



The Continuums of Invention start when ideas about an invention are formed or conceived, a part of the process that has come to be known as the “conception” of an invention.³⁵ After this, the process can diverge into different paths that may or may not involve further development, refinements, and testing of the invention (i.e., “experimentation”). Sometimes, there may be actual building or conducting of examples of the invention in a part of the process referred to as “actual reduction to practice.”³⁶ Other times, the first reduction to practice is the preparation and filing of a patent application, a “constructive reduction to practice.”³⁷ Before or after the filing of a patent application, information about the invention may also be made publicly available, for example by publication of an academic paper or presentation of a video on a web site, in what will be referred to as a “description” of the invention. It should be noted that a patent application must also have a “written description” as part of the requirements of § 112. To be

³⁵ *Burroughs Wellcome Co. v. Barr Labs. Inc.*, 40 F.3d 1223, 1227–28 (Fed. Cir. 1994) (“Conception is the touchstone of inventorship . . .” (citing *Sewall v. Walters*, 21 F.3d 411 (Fed. Cir. 1994))).

³⁶ *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1376 (Fed. Cir. 1986).

³⁷ *Id.* (citing *Weil v. Fritz*, 572 F.2d 856, 865 n.16 (C.C.P.A. 1978) (defining constructive reduction to practice as “the filing of a complete and allowable application”)).

sufficient to satisfy the requirements of § 112, a patent application must convey enough information about the invention to permit a person skilled in the art to make and practice that invention; this is often referred to as the “enablement requirement.”³⁸ For purposes of patenting an invention, the invention must also be “claimed” in that a patent application must include at least one claim that sets forth the legal metes and bounds of the invention.³⁹ Also, before or after a claimed invention has been prosecuted and issued as a patent, there may or may not be actual real world embodiments of the invention that are made, used or sold, which are shown in the Continuums of Invention as “embodiments” representing the final part of the process.

Thus, it can be seen that for any given invention, the actual path along the Continuums of Invention can only be determined by a *post hoc* analysis. Just like deciding whether a given real world embodiment does or does not infringe an issued and valid patent claim, a determination of the actual path can only be made after the patent has been issued and after the particular embodiment of the method or apparatus has been made, used, or sold.

The Continuums of Invention diagram illustrates why the two occurrences of the phrase “subject matter disclosed” in the context of the FTP Grace Period Exceptions of subparagraph (B) of New Section 102(b) must be interpreted as referring to a conveyance of information somewhere in the middle of the Continuums of Invention. The proper interpretation of the phrase “subject matter disclosed” is not at the extreme of a specific embodiment of the information—where the USPTO Proposed Examination Guidelines would place it—rather it is somewhere in the middle, between conception and the final embodiment.

The Continuums of Invention diagram also illustrates why an asymmetric interpretation of the phrase “subject matter disclosed,” when applied only with respect to the FTP Grace Period Exceptions of New Section 102(b) subparagraph (B), results in an inconsistent and improper construction of the statute. Under New Section 102(b) subparagraph (A), there are two ways in which the grace period public disclosure can be triggered: (i) if public disclosure is “made by the inventor or joint inventor,” or (ii) if public disclosure is made “by another who obtained the *subject matter disclosed* directly or indirectly from the inventor or a joint inventor.”⁴⁰ Thus, the phrase “subject matter disclosed” as used in the New Section 102(b) subparagraph (A) provides the context of how an inventor can internally convey information to others who then trigger the FTP Grace Period

³⁸ See *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1363 (Fed. Cir. 2010).

³⁹ See 35 U.S.C. § 112 (2006).

⁴⁰ Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 3(b), 125 Stat. 284, 286 (2011) (emphasis added).

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Exception. This same internally conveyed context in which an inventor conveys information to another, who is not an inventor (i.e., a third-party), who then publicly discloses some version of that information, can also be found in the four occurrences of the phrase “subject matter disclosed” throughout New Section 102(b) subparagraph (B).

If the narrow interpretation set forth in the Proposed Examination Guidelines is used in either of the internally conveyed contexts, the result is plainly not what Congress intended. Assume, for example, that the information representing the subject matter is conveyed from an inventor to an editor who then refines and revises an article for publication. These changes by the editor are almost certain to add some “insubstantial changes” to the information conveyed from the inventor.⁴¹ This would mean that the exception for the inventor’s own work would not apply even when the content of the subject matter was changed by an insubstantial amount by a person who, with authority from the inventor, receives, revises, and then publishes the information.

Another example of why a narrow interpretation used in an “internally conveyed” context does not operate in a manner that Congress intended occurs in a situation involving the further refinement of the subject matter conveyed from an inventor by a non-inventor who assists in the actual reduction to practice of the invention. Assistance in the actual reduction to practice is quite common, particularly with more complicated inventions. If that assistance does not rise to the level of a patentable contribution to the initial conception, then the individuals who are assisting in the actual reduction to practice are not deemed to be inventors, even though they are almost certain to make “insubstantial changes” to the subject matter information about the invention that was conveyed to them.⁴² Again, this example shows how the exception for the inventor’s own work under a narrow interpretation of the phrase “subject matter disclosed” would not apply if the inventor receives help from others in taking conception to actual reduction to practice.

A final example of how a narrow interpretation used in an “internally conveyed” context would operate in a manner that is not what Congress intended is a situation involving the conveyance of information about the subject matter of

⁴¹ Examination Guidelines for Implementing the First-Inventor-to-File Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 43,759, 43,767 (proposed July 26, 2012) (the “Proposed Rules”) (to be codified at 37 C.F.R. pt. 1).

⁴² See *Shatterproof Glass Corp. v. Libbey-Owens Ford Co.*, 758 F.2d 613, 624 (Fed. Cir. 1985) (“An inventor ‘may use the services, ideas, and aid of others in the process of perfecting his invention without losing his right to a patent.’” (quoting *Hobbs v. U.S. Atomic Energy Comm’n*, 451 F.2d 849, 864 (5th Cir. 1971))).

an invention from an inventor to a patent attorney for purposes of preparing a patent application for that invention. Where the invention has not yet been reduced to practice, the filing of the patent application is referred to as a constructive reduction to practice. Again, the patent attorney is almost certain to make “insubstantial changes” to the information that represents the subject matter for the invention as part of the preparation of the patent application.⁴³ So, if the narrow interpretation of “subject matter disclosed” is used, the essential process of formalizing the subject matter of an invention as part of preparation of a patent application would likely cause the inventor to lose the benefit of any exceptions for his own work with respect to other patent filings that end up being published.⁴⁴

The remaining three occurrences of the phrase “subject matter disclosed” occur in the context of determining the timing of when an invention is “developed” for purposes of determining whether the so-called “team” exceptions of New Section 102(b)(2)(C) apply, or whether the Joint Research Agreements exception of the New Section 102(c) applies. Again, in these instances, none of the occurrences of the phrase “subject matter disclosed” used in the context of the “team” exceptions would operate as intended if a narrow construction of this phrase is adopted.

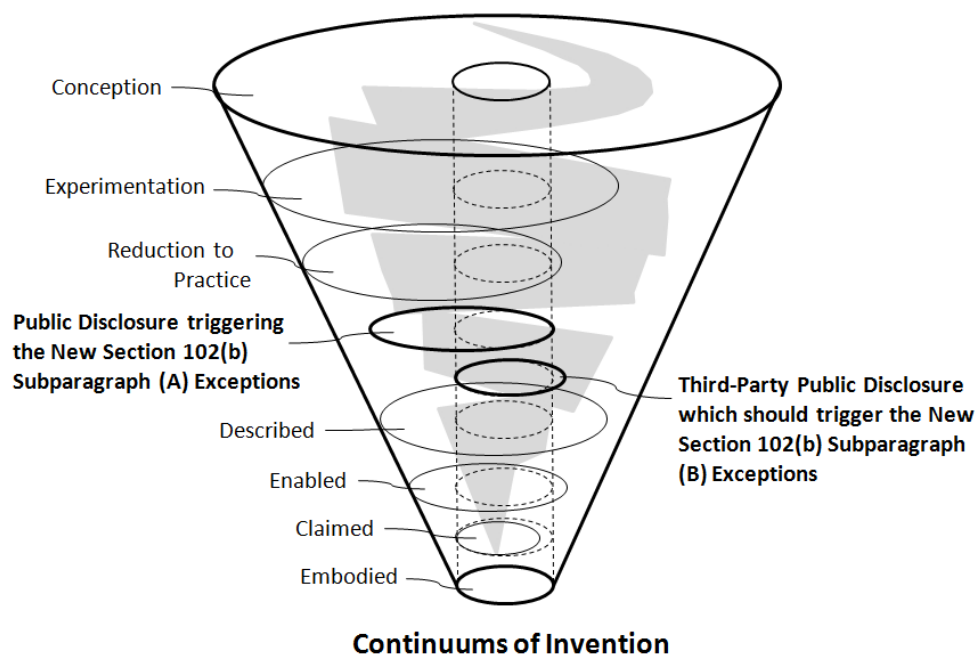
As shown in the figure below, the proper interpretation of the phrase “subject matter disclosed” must occur along the Continuums of Invention someplace after some or all of conception, experimentation and reduction to practice happen, and before the description, enablement, claims and specific embodiments are formalized in a patent application or public disclosure.

⁴³ See Proposed Rules, 77 Fed. Reg. at 43,767.

⁴⁴ The same would apply where the inventor applies for and obtains a foreign filing license. Any translation and formatting required for filing in another country would almost certainly constitute more than a mere insubstantial change to a prior publication in the U.S.

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B. Second Construction Error—Improper Focus on Only the “Differences”

As part of the narrow construction accorded to the FTP Grace Period Exception for third-party-related materials, the Proposed Examination Guidelines set forth a standard that looks only to differences in the prior art versus the triggering disclosure. This is illustrated by the Office’s comments that:

Even if the only *differences* between the subject matter in the prior art disclosure that is relied upon under 35 U.S.C. 102(a) and the subject matter publicly disclosed by the inventor before such prior art disclosure [are merely insubstantial or trivial, then the exception does not apply].⁴⁵

This proposed standard would require that the statutory language be amenable to interpretation such that each of the “subject matter disclosed” and the “[grace period public] disclosure” or the “[grace period patent filing] disclosure” of New Section 102 can be analyzed in pieces, instead of being analyzed as a whole.⁴⁶ A plain reading of the statutory language makes clear that the statute is referencing the entirety of both the publicly disclosed actions/things by or for the inventor and

⁴⁵ Proposed Rules, 77 Fed. Reg. at 43,767 (emphasis added).

⁴⁶ See *infra* text accompanying notes 33–43.

the grace period disclosures by a third party. No support or rationale is provided in the Proposed Examination Guidelines to justify a piece-meal approach to evaluating whether to invoke the FTP Grace Period Exception for third-party-related materials. Moreover, if the proposed standard is susceptible to a piece-meal evaluation, then the proposed standard is also vague in that it is unclear whether the exception is being applied to only the differences or to the entire grace period disclosure by a third party.

A standard that focuses solely on express differences ignores a well-established body of case law with respect to inherent disclosures.⁴⁷ The trivial or insubstantial differences in the express disclosures of a prior art disclosure versus the triggering disclosure may, in fact, be inherently disclosed. In these situations, a strict application of the proposed narrow standard would run counter to the doctrine of inherent disclosure. Under the doctrine of inherent disclosure, an earlier reference may anticipate a later reference even though it may not disclose a particular characteristic expressly disclosed in the later reference, provided that the missing characteristic is necessarily present, or inherent in the anticipating reference.⁴⁸ Thus, it is a realistic possibility that under the narrow interpretation presented by the Proposed Examination Guidelines, a later publication by a third party could defeat patentability by publically disclosing something that was inherently—but not expressly—present in an earlier disclosure.

While Congress gave the Patent Office limited rulemaking authority in the context of implementing the new Post-Grant Review Proceedings,⁴⁹ there was no provision for providing the Patent Office with substantive rulemaking authority for implementing the FITF provisions of the AIA. Because the proposed narrow standard creates an entirely new standard that is not found in any current case law, it appears that the Office has exceeded its procedural rule making authority in proposing the narrow standard.⁵⁰

C. Third Construction Error—A Narrow Standard Renders Third-Party FTP Exceptions Superfluous

The new narrow standard found in the Proposed Examination Guidelines

⁴⁷ *In re Best*, 562 F.2d 1252, 1254–55 (C.C.P.A. 1977).

⁴⁸ *Schering Corp. v. Geneva Pharm., Inc.*, 339 F.3d 1373, 1379 (Fed. Cir. 2003).

⁴⁹ Leahy-Smith America Invents Act, Pub. L. No. 112-29, §§ 6(a), (d), 125 Stat. 284, 302–03, 308–09 (2011) (effective Sept. 16, 2012) (to be codified 35 U.S.C. §§ 316, 326).

⁵⁰ *See Tafas v. Doll*, 559 F.3d 1345, 1352 (Fed. Cir. 2009) (stating that 35 U.S.C. § 2(b)(2) does not vest the USPTO with any general substantive rulemaking power; a principle amply supported by Federal Circuit precedent), *vacated* 2009 WL 1916498 (2009); *see also* *Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1335 (Fed. Cir. 2008) (stating that to comply with § 2(b)(2)(A), a Patent Office rule must govern the conduct of proceedings in the Patent Office).

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would be so narrow that it would render the FTP exceptions for third-party-related materials effectively meaningless. Specifically, here we are referring to the Office's comments that:

Even if the only differences between the subject matter in the prior art disclosure that is relied upon under 35 U.S.C. 102(a) and the subject matter publicly disclosed by the inventor before such prior art disclosure are mere *insubstantial changes*, or only *trivial* or obvious variations, the exception under 35 U.S.C. 102(b)(1)(B) does not apply.⁵¹

It is acknowledged even by those supporting the narrow standard found in the Proposed Examination Guidelines that the chances of having an independent third-party disclosure that would not have “trivial” or “insubstantial differences” from the subject matter publicly disclosed by or for an inventor are so small as to represent a practically impossible fact pattern.⁵² Consequently, the only FTP Grace Period Exception that would be given any meaning under the New Section 102(b) would be the FTP Grace Period Exception for the inventor's own work under New Section 102(b) subparagraph (A).

A very narrow construction for the FTP Grace Period Exception for third-party materials forces patent applicants to resort to use of the FTP exceptions under subparagraph (A) that protect against unauthorized works of third parties that are derived from the inventor's work. Elsewhere in the Proposed Examination Guidelines, the Patent Office has appropriately chosen to utilize standards for proving derivation that adopts the approach taken in the *In re Facius*⁵³ decision in interferences for defining “derivation” in the context of the FITF provisions to cover situations where proof of the main elements of an invention having been conveyed is sufficient to cover any obvious variations that are derived from the information conveyed.⁵⁴ The Proposed Examination Guidelines reject the approach taken in the *Gambro*⁵⁵ decision in the context of proving derivation in an interference that requires proof that each and every element of a claimed invention has been communicated to the alleged deriver.⁵⁶ While this is the right

⁵¹ Examination Guidelines for Implementing the First-Inventor-to-File Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 43,759, 43,767 (proposed July 26, 2012) (the “Proposed Rules”) (to be codified at 37 C.F.R. pt. 1); *see also id.* at 43,769 (using much of the same language).

⁵² USPTO Roundtable Discussion at the Madison Auditorium, Alexandria VA (Sept. 6, 2012).

⁵³ 408 F.2d 1396, 1407 (C.C.P.A. 1969).

⁵⁴ Proposed Rules, 77 Fed. Reg. at 43,769.

⁵⁵ *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573 (Fed. Cir. 1997).

⁵⁶ Proposed Rules, 77 Fed. Reg. at 43,769.

result for proving derivation in the FTP Grace Period Exception for the inventor's own work, it produces an asymmetry in how the FTP Grace Period Exceptions will operate under subparagraph (A) and subparagraph (B). The end result would be that patent applicants will resort to the subparagraph (A) FTP Grace Period Exception in cases of intervening prior art that is close to, but not exactly identical to, subject matter disclosed by or for the inventor in order to have any ability to argue that the differences are merely obvious variations that are somehow based on the inventor's work, and that the intervening prior art should be excluded.

It is a tenant of statutory construction that an interpretation of a statute should not render superfluous any of the provisions of that statute.⁵⁷ If the narrow standard for evaluating the FTP Grace Period Exception for third-party materials is finally adopted, there would be no ability for inventors to effectively use the FTP Grace Period Exception for third-party-related materials as found in New Section 102(b) subparagraph (B).

IV. POLICY ARGUMENTS

In addition to the statutory construction problems with the narrow standard for FTP Grace Period Exception for third-party-related materials, there are also several important policy reasons for why the adoption of the proposed standard is a bad idea. At the highest level for the U.S. patent system as a whole, the impact of the narrow standard can be seen as cutting against the recognized AIA policy of encouraging early disclosure of new inventions.⁵⁸ On an individual level, the effect on both patent applicants and patent examiners will be burdensome and difficult to manage.

Without a doubt, the optimum patent filing strategy is always to file for patent protection before there is any public disclosure of subject matter for an invention. For larger companies and more experienced entrepreneurs, it is expected that these players will respond to the AIA by operating as if the new FITF provisions create a *de facto* First-To-File patent system in the United States. For smaller companies, universities and individual inventors who are new to the patent system, that kind of rigorous approach is simply not feasible, and it is very likely that these players will be tripped up by the new FITF provisions with the proposed narrow FTP Grace Period Exception for third-party-related materials.

For patent applicants who try to utilize the FTP Grace Period Exceptions, there will be tremendous extra effort and expense needed to preserve evidence for possible derivation proceedings, police disclosures made before patent filings can be put in place, and rework disclosure to expand them so as to cover as many

⁵⁷ TRW Inc. v. Andrews, 534 U.S. 19, 31 (2001).

⁵⁸ S. REP. NO. 111-18, at 4-5 (2009).

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insubstantial, trivial or obvious variations as possible. For examiners and the Patent Office, the strong incentives created by the asymmetry between the FTP Grace Period Exceptions for an inventor's own materials versus third-party-related materials will result in a significant increase in the use of derivation petitions by patent applicants faced with intervening prior art of third parties. Given the already massive workloads faced by the new Patent Trial and Appeal Board (PTAB), adoption of the narrow construction in the Proposed Examination Guidelines may overwhelm the system with derivation petition filings that would be orders of magnitude above the numbers currently projected.

Congress has confirmed the bright-line rule of one-year in the public domain as being the absolute upper limit to any exceptions to the new FITF patent system under the New 102(b). Existing case law has been built around the statutory framework of Old Section 102(b) that provides for a one-year complete grace period for public disclosures. Even the inventor's own earlier disclosures could serve as an inherent disclosure, that disclosure may anticipate a subsequent patent application by the inventor if the subject matter inherently disclosed was in the public domain for more than the one-year grace period.⁵⁹ However, unlike the current automatic and fixed one-year grace period of Old Section 102(b), the First-To-Publish Grace Period Exceptions under the FITF provisions of the AIA are conditional in application and variable in length. In order to be invoked, the FTP Grace Period Exceptions must be triggered by a "disclosure" that is public in the sense that acts/things that are considered publicly available for purposes of New Section 102(a). Also, once an FTP Grace Period Exception has been triggered, it is not an unlimited grace period; rather the FTP Grace Period Exception can be no longer, and in many situations will be less than, a maximum one-year period from the first public disclosure triggering the FTP Grace Period Exception and the effective filing date of the patent application under consideration. That first triggering public disclosure can be either a public disclosure of, or based on, the inventor's own work (under New Section 102(b)(1)), or a publication of, or based on, the inventor's own patent filing (under New Section 102(b)(2)).

Contrary to the concerns expressed by some commentators, the choice of whether to interpret the FTP Grace Period Exceptions narrowly or broadly will never turn the FITF provisions of the AIA into a *de facto* "first-to-publish" patent system. If a patent applicant is first to publish, but that triggering publication event occurs earlier than the one-year maximum grace period before the effective filing date of the patent application under consideration, "first-to-publish" does

⁵⁹ *In re Hafner*, 410 F.2d 1403, 1405–06 (C.C.P.A. 1969).

not (i) protect that patent applicant from the triggering publication itself, or (ii) protect the patent applicant from any intervening publications or patent filing that occur between the triggering publication and the effective filing date of the patent application under consideration. The FTP Grace Period Exceptions under the AIA are exactly that—exceptions that apply only once triggered by a first-to-publish triggering publication and, once triggered, apply only to events that occur within a limited time of the “grace” period.

V. CONCLUSION

Under the Proposed Examination Guidelines the Patent Office has interpreted New Section 102(b) subparagraph (B) so narrowly that, if adopted, it would render the FTP Grace Period Exception for third parties effectively meaningless. Accordingly, if an inventor makes a public disclosure of his invention he is at serious risk that a third party will republish his work with some variation in order to practically render the subject matter of the inventor’s publication unpatentable.

We propose that the Patent Office adopt a more symmetric and broader interpretation of New Section 102(b) subparagraph (B). A broader interpretation, consistent with New Section 102(b) subparagraph (A), would have a number of desirable effects. It would encourage early disclosure by inventors, rather than promote a fear that a third party will republish to destroy patentability. It reduces the burden on the Patent Office, in that Examiners already know how to apply the standard of “patentably distinct” to determine whether the New Section 102(b) subparagraph (B) exception would apply. It would eliminate the need for patent applicants to police derivation and/or variation issues in their publications. Also, it would preserve Patent Office resources by avoiding the inevitable deluge of derivation petitions that will be filed if the interpretation of New Section 102(b) subparagraph (B) in the Proposed Examination Guidelines is adopted.

VI. POST SCRIPT

In response to these Proposed Rules, the authors—through the Minnesota Intellectual Property Law Association (MIPLA)—submitted an early version of this article to the USPTO as comments.⁶⁰ The Final Rules, which were published on February 14, 2013, addressed some, but not all, of the arguments made in this article.⁶¹ Nevertheless, the Final Rules maintained the narrow construction for the FTP Grace Period Exception of subparagraph (B) essentially as presented in the Proposed Rules that are discussed in this article.

⁶⁰ See Letter from Brad Pedersen to Mary C. Till, *supra* note 1.

⁶¹ See Examination Guidelines for Implementing the First Inventor To File Provisions of the Leahy-Smith America Invents Act, 78 Fed. Reg. 11,059, 11,059–87 (Feb. 14, 2013) (the “Final Rules”) (to be codified at 37 C.F.R. pt. 1).

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Specifically, under the Final Rules, the New Section 102(b) subparagraph (B) exceptions for intervening works of third parties are triggered under the USPTO's interpretation only when the subject matter disclosed by or for the inventor is "the same" as the subject matter of the intervening work. However, under the Final Rules "the same" does not mean "the same," as the subject matter later disclosed by the third party may be: (1) in a different form, (2) not verbatim, or (3) more general than the subject matter later disclosed by or for the inventor.

These examination guidelines maintain the identical subject matter interpretation of [subparagraph (B) as set forth in the Proposed Rules] However, . . . there is no requirement [for subparagraph (B)] that the mode of disclosure by the inventor or a joint inventor (e.g., [patenting,] publication, public use, sale activity) be the same as the mode of disclosure of the intervening [grace period] disclosure . . . [there is also no requirement] that the disclosure by the inventor or a joint inventor be a verbatim or *ipsissimis verbis* disclosure of the intervening [grace period] disclosure.⁶²

[I]f the subject matter of an intervening grace period disclosure is simply a more general description of the subject matter previously publicly disclosed by the inventor, . . . the exception in [New Section 102(b) subparagraph (B) will apply] For example, if the inventor . . . had publicly disclosed a species, and a subsequent intervening grace period disclosure discloses a genus (i.e., provides a more generic disclosure of the species), the intervening grace period disclosure of the genus *is not available* as prior art under AIA 35 U.S.C. 102(a)(1). [But,] if the inventor . . . had publicly disclosed a genus, and a subsequent intervening grace period disclosure discloses a species, the intervening grace period disclosure of the species *would be available* as prior art under AIA 35 U.S.C. 102(a)(1). Likewise, if the inventor . . . had publicly disclosed a species, and a subsequent intervening grace period disclosure discloses an alternative species not also disclosed by the inventor[s], . . . the intervening grace period disclosure of the alternative species *would be available* as prior art under AIA 35 U.S.C. 102(a)(1).⁶³

⁶² *Id.* at 11,061.

⁶³ *Id.* at 11,077 (emphasis added).

Accordingly, inventors should take caution in making their inventions publicly available prior to an appropriate patent filing. Given the USPTO's narrow interpretation of New Section 102(b) subparagraph (B), inventors should not rely on the FTP Grace Period Exception. The safest approach after March 16, 2013 is for inventors to treat the AIA as if it were a first to file patent system, just as if the inventor wanted to seek international patent protection. A strategy whereby the inventor files first, then publishes, represents the best case for obtaining patent protection and will reduce the potential complexity in filing and prosecuting U.S. cases that may otherwise be associated with attempting to invoke any of the Section 102(b) Grace Periods. Because the Final Rules provide for a narrow interpretation of the FTP Grace Period Exception for subparagraph (B), it will not be possible in advance to determine what will or will not be considered prior art. Therefore, applicants cannot confidently rely on having a meaningful FTP Grace Period Exception with respect to independently developed works of third parties that may occur during the one-year period prior to filing a patent application.